

AR40

Bill

GREAT
BASIN
METAL
MINES
L I M I T E D

Annual Report

FOR THE YEAR ENDING FEBRUARY 28,

1967

GREAT BASIN METAL MINES LIMITED

DIRECTORS

Andrew Azzara, Brooklyn, N.Y.
Peter O. Headley, New York, N.Y.
C. R. B. Salter, Toronto, Ont.
Dr. Morton Schiff, New York, N.Y.

OFFICERS

Peter O. Headley, President
Andrew Azzara, Vice-President
Dr. Morton Schiff, Secretary-Treasurer

HEAD OFFICE

Suite 805, 347 Bay Street
Toronto, Ontario

AUDITORS

Neff, Goodwin & Co.
Toronto, Ontario

**REGISTRAR AND
TRANSFER AGENT**

Guaranty Trust Company of Canada
Toronto, Ontario

GREAT BASIN METAL MINES LIMITED

Suite 805, 347 Bay Street
TORONTO, ONTARIO

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual and a Special General Meeting of the Shareholders of Great Basin Metal Mines Limited will be held in Board Room 1, King Edward Hotel, Toronto, Ontario, at the hour of 10.30 o'clock in the forenoon (Toronto City Time) on Wednesday, the 19th day of July, 1967 for the purposes of:

- (a) receiving and considering the Report of the Directors containing the Financial Statements for the year ending February 28th, 1967 and the Report of the Auditors thereon;
- (b) considering and if deemed advisable, ratifying, confirming and sanctioning, with or without variation, the following Special Resolution:

"RESOLVED as a special resolution of the Company that:

1. The number of Directors of the Company is hereby decreased from 5 to 3 so that the Board of Directors of the Company shall hereafter be composed of 3 Directors.
2. 2 Directors shall constitute a quorum at any meeting of the Board of Directors.
3. All prior by-laws, resolutions and proceedings of the Company inconsistent herewith are hereby amended, modified, and revised in order to give effect to this special resolution."

- (c) the election of Directors;
- (d) the appointment of Auditors and authorizing the Directors to fix their remuneration;
- (e) considering and if deemed advisable, ratifying, confirming and sanctioning, with or without variation, the following resolution:

"BE IT RESOLVED that the Directors of the Company be and they are hereby authorized at any time and from time to time to advance monies of the Company as they may deem appropriate and use the monies of the Company to purchase such moveable or immovable property as the Directors in their absolute discretion deem advisable notwithstanding any statements to the contrary contained in the Prospectus of the Company dated June 1, 1965."

- (f) the transaction of such further and other business as may properly come before the meeting or any adjournment thereof.

AND NOTICE IS HEREBY FURTHER GIVEN that the Prospectus of the Company dated June 1, 1965, in paragraph 15 thereof contains, in part, the following statement: "No part of the proceeds from the sale of underwritten and/or optioned shares will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in Canada in which the securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds or some thereof to acquire non trustee type securities after the distribution of the securities offered by this prospectus, approval of the shareholders will be obtained and disclosure will be made to the regulatory bodies having jurisdiction over the sale of the securities offered by this prospectus". With particular reference to the concluding sentence of the foregoing, Shareholders are being asked to pass the resolution referred to in sub-paragraph (e) above.

Shareholders who are unable to attend the meeting in person are requested to date, complete, sign and return the enclosed form of Proxy.

DATED at Toronto, this 21st day of June, 1967.

By Order of the Board,

MORTON SCHIFF,
Secretary.

GREAT BASIN METAL MINES LIMITED

INFORMATION CIRCULAR

This information circular is furnished in connection with the solicitation by Management of Proxies to be voted at the Annual and Special General Meeting of the Shareholders of Great Basin Metal Mines Limited to be held July 19th, 1967. Proxies may also be solicited by Directors of the Company at nominal cost. The Company will bear the cost of solicitation of proxies.

DECREASE IN NUMBER OF DIRECTORS

The Shareholders will be asked to vote on the confirmation of a Special Resolution providing for decreasing the number of directors from 5 to 3 and providing that 2 directors shall constitute a quorum at meetings of the board of directors. The approval of the Special Resolution requires confirmation by at least two-thirds of the votes cast at the Annual and Special General Meeting.

ELECTION OF DIRECTORS

If the Special Resolution providing for the decrease in the number of directors from 5 to 3 is duly confirmed at the Annual and Special General Meeting, Shareholders will be asked to vote to elect a full board of three directors to act until the next Annual General Meeting of Shareholders or until their successors are elected. In such event, the following are the names of the nominees of Management and information concerning same:—

Name of Directors	Principal Occupation or Employment during past 5 years and organization in which employment is carried on:	Director since	Shares owned beneficially at June 21, 1967:
Peter O. Headley	President and Director. Financial Consultant, self-employed.	March, 1967	14,000
Andrew Azzara	Vice-President and a Director. Retired.	March, 1967	nil
Morton Schiff	Secretary-Treasurer and a Director. Until March, 1964 employed by Sperry, Rand Corporation. March, 1964-January, 1967 Graduate School, Yeshiva University, New York. Since January, 1967 Physicist, Stevens Institute of Technology, New York.	March, 1967	nil

However, if the Special Resolution is not confirmed, Shareholders will be asked to vote to elect a full Board of five directors to act until the next Annual General Meeting of Shareholders or until their successors are elected, and in which event the aforementioned three individuals are nominees of Management.

Proxies received pursuant to this solicitation will be voted for the election of the foregoing nominees. If, for any reason any such nominee should not be available for election, such Proxy will be voted in favour of the remaining nominees and may be voted for a substitute nominee in the place of those who are not candidates. The Management has no reason to believe that any of these nominees will fail to be candidates at the Meeting and does not at this time have any substitute for any such nominees.

REMUNERATION OF DIRECTORS AND OFFICERS

Directors fees of \$575.00 were paid during the Company's last fiscal year ending February 28th, 1967. No remuneration was paid to the Officers of the Company during that period.

SPECIAL BUSINESS OF MEETING

Shareholders will be asked to pass a resolution confirming the Directors' resolution broadening the investment powers of the Company set forth in the Notice of Meeting. The Company had, with respect to the proceeds received from initial distribution of certain of its treasury shares as set out in a prospectus dated June 1, 1965 as amended by a first amendment thereto dated September 15, 1965 and a second amendment thereto dated December 16, 1965, undertaken to invest such proceeds only in trustee securities and that any departure from such investment policy after the initial distribution of said shares had been completed would first receive the approval of the Shareholders of the Company. The initial distribution of the said shares having now been completed it is the unanimous opinion of the Directors that trustee investments are too restrictive in their scope for all investments by the Company and that it is desirable that the Company's investment powers should be broadened.

INTERESTS OF MANAGEMENT AND OTHERS

By Agreement dated October 14, 1966, Consolidated Manitoba Mines Limited purchased from H. E. Smith Securities Limited 675,000 escrowed shares of Great Basin Metal Mines Limited for \$98,000.00. At the date of the said Agreement Harry Eric Smith, a director, officer and shareholder of H. E. Smith Securities Limited was, but is not now, a director of Great Basin Metal Mines Limited.

By Agreement dated April 10, 1967, the Company acquired an option from Consolidated Manitoba Mines Limited to acquire a one-half interest in 216 unpatented mining claims in the James Bay Lowlands Area of the Province of Ontario. In order to acquire the said one-half interest, the Company must carry out development work on the claims to an amount equal to that spent by Consolidated Manitoba Mines Limited. Consolidated Manitoba Mines Limited is the beneficial owner of 675,000 shares of the Company and the directors and officers of the Company are also directors and officers of Consolidated Manitoba Mines Limited.

APPOINTMENT OF AUDITORS

It is intended to vote the proxy to re-appoint the firm of Neff, Goodwin & Co., Chartered Accountants, the present Auditors, as auditors of the Company to hold office until the next Annual Meeting of Shareholders, and to authorize the directors to fix their remuneration. Neff, Goodwin & Co. were first appointed as Auditors of the Company in March, 1967.

REPORT OF DIRECTORS AND FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED FEBRUARY 28, 1967

It is intended to use the proxy for the purpose of voting upon the Report of the directors and the financial statements and auditors report thereon referred to in the enclosed Notice of Meeting.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The Management know of no matters to come before the Annual and Special General Meeting of Shareholders other than as set forth in the Notice of Meeting. However, if other matters which are not known to the Management should properly come before the Meeting the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

GENERAL

Proxies in the form enclosed which are properly executed, returned to the Management and not revoked, will be voted at such Meeting in accordance with the authority contained therein and with respect to matters set forth in the Notice of Meeting. Any such Proxy may be revoked at any time before it is exercised. Each Shareholder is entitled to one vote for each share held of record at the time of the meeting. The Company has outstanding 2,100,005 shares of its capital stock. Save Consolidated Manitoba Mines Limited previously referred to, the Directors and Senior Officers of the Company are not aware of any person or company beneficially owning directly or indirectly as at June 21, 1967, more than 10% of the outstanding shares of the Company.

By Order of the Directors,

June 21, 1967.

MORTON SCHIFF,

Secretary.

GREAT BASIN METAL MINES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS:

YOUR directors are pleased to review the interests and activities of your company in this annual report, which also includes financial statements for the fiscal year ended February 28, 1967.

Most shareholders are aware that, following a special general meeting of shareholders on February 15, 1967, when approval was given to the sale of 675,000 escrowed shares of the company, effective control of Great Basin Metal Mines has been acquired by Consolidated Manitoba Mines Limited. Subsequent to this meeting, a new slate of directors was elected and the undersigned became president.

Since that time your company has continued to pursue certain mineral exploration efforts undertaken last year and, further, has acquired additional property interests.

NORTHERN ONTARIO

Most recently, your company concluded an agreement with Consolidated Manitoba Mines covering exploration on a 216-claim group in the very active James Bay Lowlands-Moosonee region of northern Ontario. This property lies a few miles north of the important columbium discovery now being developed by Imperial Oil Limited and Consolidated Morrison Explorations Limited.

Prior to the agreement, Consolidated Manitoba Mines had carried out preliminary examination of the property, including an aerial geophysical survey which revealed structural targets and conductors of considerable interest. Under the terms of the agreement, Great Basin Metal Mines can earn up to 50% interest in the 216 claims by spending in follow-up exploration an amount equal to that thus far spent by Consolidated Manitoba in the preliminary surveying. After this expenditure, Great Basin and Consolidated Manitoba will continue the program as a joint venture.

Dr. S. S. Szetu, the company's geologist who is the consultant for the program, has recommended an extensive program of soil sampling and ground geophysical surveying on this valuable James Bay property.

Also in northern Ontario, in the Marathon district, your company still holds six claims in an original 16-claim property where geophysical surveys were previously carried out. A report of G. L. Kirwan, consulting geologist, dated May 25, 1966,

recommended that further spending on the ground was not warranted and, accordingly, 10 of the 16 claims were allowed to lapse. There are no present plans for exploration on the six claims still in good standing.

NORTHWEST TERRITORIES

Last season an induced polarization and resistivity survey was conducted on your company's 15-claim group in the Pine Point area of the Northwest Territories. Subsequent to the survey, Scope Mining and Exploration Consultants Limited recommended an initial program of drill testing on the most important anomaly disclosed by the survey.

This recommendation and others contained in the Scope report are presently being reviewed by your management and a decision on this season's activity on the Pine Point claims will be made shortly.

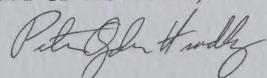
GENERAL

The notice of meeting accompanying this report also includes a copy of a resolution for the shareholders' consideration, relating to the company's investment powers in general. A prospectus of the company contained certain undertakings related to investment of the company's funds; your directors are of the opinion that, subject to approval by shareholders, the company's investment powers should be broadened.

Your directors are engaged in a number of negotiations and investigations which should result in expanded exploration projects for the company.

Shareholders will be kept advised on these projected activities and programs already undertaken. Your management looks forward to a satisfying season of work and greatly values the support and interest of shareholders in these efforts.

On behalf of the board,



PETER O. HEADLEY,
President.

Toronto, Ontario,
June 21, 1967.

GREAT BASIN MET

(Incorporated unde

BALANCE SHEET AS

ASSETS

CURRENT ASSETS:

Cash	\$236,471.35
Cash on deposit	25,000.00
Accrued interest	126.37

MINING PROPERTIES — at cost:

— 16 unpatented mining claims in Pic Township, Port Arthur Mining Division, Ontario	\$ 15,000.00
— 15 unpatented mining claims in Pine Point Area, Mackenzie Mining District, Northwest Territories	4,500.00
Deferred exploration and development expenditure	19,500.00
	22,696.10

Approved on behalf of the Board:

PETER OGDEN HEADLEY, Director.

MORTON SCHIFF, Director.

Auditors' Report

We have examined the balance sheet of Great Basin Metal Mines Ltd. and the statement of profit and loss and changes in equity for the year ended February 28, 1967, and the statement of cash flows for the year ended February 28, 1967, and the accompanying notes. In our opinion, the balance sheet and statement of profit and loss and changes in equity present fairly the financial position of the Company as at February 28, 1967, and the statement of cash flows for the year ended February 28, 1967, and the accompanying notes, in accordance with generally accepted accounting principles applied on a consistent basis, except for the omission of the effect of a change in accounting practice as explained in the note, with which we are in agreement.

In our opinion, the above balance sheet and attached statement of profit and loss and changes in equity for the year ended February 28, 1967, and the statement of cash flows for the year ended February 28, 1967, and the accompanying notes, present fairly the financial position of the Company as at February 28, 1967, and the statement of cash flows for the year ended February 28, 1967, and the accompanying notes, in accordance with generally accepted accounting principles applied on a consistent basis, except for the omission of the effect of a change in accounting practice as explained in the note, with which we are in agreement.

TORONTO, Canada,
April 28, 1967.

MINES LIMITED

(laws of Ontario)

FEBRUARY 28, 1967

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 325.00
------------------------	-----------

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized: 3,000,000 shares of \$1.00 each

Issued and fully paid: 2,100,005 shares	\$ 2,100,005.00
---	-----------------

LESS: Discount on shares	1,755,000.00
--------------------------------	--------------

\$ 345,005.00

Deficit	41,536.18	303,468.82
---------------	-----------	------------

<u>\$303,793.82</u>

NOTE: Change in Accounting Practice.

In the previous year administration and general expenses have been included in deferred expenditure. These expenses for the current year are shown in the statement of deferred expenditure and have been transferred to deficit together with deferred administration and general expenditure at the beginning of the year.

the Shareholders

ited as at February 28, 1967, and the statements of deficit, deferred expenditure and source and application of funds for the year ended on that date. Our examination included a general review of the accounting evidence as we considered necessary in the circumstances.

of deficit, deferred expenditure and source and application of funds for the year ended on February 28, 1967, and the results of its operations for the year ended on that date were on a basis consistent with that of the preceding period, except for the change in accounting practice.

NEFF, GOODWIN & CO.,
Chartered Accountants.

GREAT BASIN METAL MINES LIMITED

STATEMENT OF DEFICIT FOR THE YEAR ENDED FEBRUARY 28, 1967

Balance, February 28, 1966	\$16,125.96
ADD: Acquisition cost and exploration expenditure on mining claims abandoned	\$ 20,227.00
Administration and general expenditure — written off	714.94
Organization expense	4,468.28
Balance, February 28, 1967	<u><u>\$41,536.18</u></u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED FEBRUARY 28, 1967

SOURCE:

Interest earned	\$11,902.71
-----------------------	-------------

APPLICATION:

Administration and general expenditure	\$ 7,873.40
Exploration and development expenditure	9,870.40
Decrease in working capital	<u><u>\$ 5,841.09</u></u>

	February 28 1967	1966
Current assets	\$261,597.72	\$272,096.29
Current liabilities	325.00	4,982.48
Working capital	<u><u>\$261,272.72</u></u>	<u><u>\$267,113.81</u></u>
		\$ 5,841.09

GREAT BASIN METAL MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURE FOR THE YEAR ENDED FEBRUARY 28, 1967

	Balance February 28 1966	March 1, 1966 to February 28 1967	Balance February 28 1967
EXPLORATION AND DEVELOPMENT:			
Pic Township claims			
Geophysical surveys	\$11,783.07	\$	\$11,783.07
Engineering fees and expenses	385.15	210.58	595.73
Licenses, fees and taxes	292.00	5.00	297.00
	<u>\$12,460.22</u>	<u>\$ 215.58</u>	<u>\$12,675.80</u>
Pine Point claims			
Geophysical surveys	\$	\$ 9,594.26	\$ 9,594.26
Engineering fees and expenses	292.48		292.48
Licenses, fees and taxes	73.00	60.56	133.56
	<u>\$ 365.48</u>	<u>\$ 9,654.82</u>	<u>\$10,020.30</u>
Total exploration and development	<u>\$12,825.70</u>	<u>\$ 9,870.40</u>	<u>\$22,696.10</u>
 ADMINISTRATION AND GENERAL:			
Head office services	\$ 2,275.00	\$ 2,525.00	\$ 4,800.00
Legal and audit fees	1,345.00	1,756.00	3,101.00
Transfer agents fees	2,240.75	518.88	2,759.63
Prospectus expenses	797.25		797.25
Directors fees	625.00	575.00	1,200.00
Shareholders meetings and reports		2,140.83	2,140.83
Government fees and taxes	335.00	145.58	480.58
General expense	149.99	212.11	362.10
	<u>\$ 7,767.99</u>	<u>\$ 7,873.40</u>	<u>\$15,641.39</u>
LESS: Expenditures applicable to mining claims abandoned — written off	234.38		234.38
	<u>\$ 7,533.61</u>	<u>\$ 7,873.40</u>	<u>\$15,407.01</u>
Interest earned	2,789.36	11,902.71	14,692.07
	<u>\$ 4,744.25</u>	<u>\$(4,029.31)</u>	<u>\$</u>
Balance, February 28, 1967 transferred to deficit			714.94



Printed in Canada